

**BEFORE THE
BUREAU OF REAL ESTATE APPRAISERS
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation/Petition to
Revoke Probation Against:

PAUL P. ROY

P.O. Box 12450
La Crescenta, CA 91224

Certified Residential Appraiser License No.
012587

Respondent.

Case No. C120423-13

OAH No. 2014011053

DECISION AND ORDER

The attached Stipulated Surrender of License and Disciplinary Order is hereby adopted by the Chief of the Bureau of Real Estate Appraisers, Department of Consumer Affairs as the Decision and Order in the above entitled matter.

This Decision shall become effective on 8-29-14.

It is so ORDERED 7-29-14.

Original Signed

FOR THE CHIEF OF THE BUREAU OF REAL ESTATE
APPRAISERS
DEPARTMENT OF CONSUMER AFFAIRS

1 KAMALA D. HARRIS
Attorney General of California
2 GREGORY J. SALUTE
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7 *Attorneys for Complainant*

8 **BEFORE THE**
9 **BUREAU OF REAL ESTATE APPRAISERS**
10 **DEPARTMENT OF CONSUMER AFFAIRS**
11 **STATE OF CALIFORNIA**

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15 La Crescenta, CA 91224

16 Certified Residential Appraiser License No.
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17 Respondent.

Case No. C120423-13

OAH No. 2014011053

**STIPULATED SURRENDER OF
LICENSE AND ORDER**

19 In the interest of a prompt and speedy settlement of this matter, consistent with the public
20 interest and the responsibilities of the Bureau of Real Estate Appraisers ("Bureau"), the parties
21 hereby agree to the following Stipulated Surrender of License and Disciplinary Order which will
22 be submitted to the Bureau Chief for approval and adoption as the final disposition of the
23 Accusation/Petition to Revoke Probation.

24 **PARTIES**

25 1. Elizabeth Seaters, acting on behalf of the Bureau of Real Estate Appraisers
26 (Complainant), Department of Consumer Affairs, brought this action solely in her capacity as the
27 Chief of Enforcement for Complainant and is represented in this matter by Kamala D. Harris,
28 Attorney General of the State of California, by Katherine Messana, Deputy Attorney General.

2. Paul P. Roy (Respondent) is representing himself in this proceeding and has chosen not to exercise his right to be represented by counsel.

3. On or about January 18, 1994, the Bureau of Real Estate Appraisers (formerly Office of Real Estate Appraisers) issued Certified Residential Appraiser License No. 012587 to Paul P. Roy (Respondent). The Certified Residential Appraiser License was in full force and effect at all times relevant to the charges brought in Accusation/Petition to Revoke Probation No. C120423-13. The Certified Residential Appraiser License expired on July 5, 2014, and has not been renewed.

JURISDICTION

4. Accusation/Petition to Revoke Probation No. C120423-13 was filed before the Bureau of Real Estate Appraisers (Bureau), for the Department of Consumer Affairs, and is currently pending against Respondent. The Accusation/Petition to Revoke Probation and all other statutorily required documents were properly served on Respondent on December 3, 2013. Respondent timely filed his Notice of Defense contesting the Accusation/Petition to Revoke Probation. A copy of Accusation/Petition to Revoke Probation No. C120423-13 is attached as Exhibit A and incorporated by reference.

5. When deemed by the Bureau Chief to be in the public interest, Complainant has the authority under Business and Professions Code section 11315.5 to enter into a settlement related to administrative allegations of violations of the regulations governing the conduct of licensed appraisers and appraisal management companies. The administrative allegations associated with Accusation/Petition to Revoke Probation No. C120423-13 against Respondent are incorporated herein by reference.

6. Business and Professions Code section 11315.3 states:

“The suspension, expiration, or forfeiture by operation of law of a license or certificate of registration issued by the office, or its suspension, forfeiture, or cancellation by order of the office or by order of a court of law, or its surrender without the written consent of the office, shall not, during any period in which it may be renewed, restored, reissued, or reinstated, deprive the office of its authority to institute or continue a disciplinary proceeding against the licensee or registrant upon any ground provided by law or to enter an order suspending or revoking the license or certificate of registration, or otherwise taking disciplinary action against the licensee or registrant on any such ground.”

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1 Respondent understands and agrees that counsel for Complainant and the staff of the Bureau of
2 Real Estate Appraisers may communicate directly with the Bureau Chief regarding this
3 stipulation and surrender, without notice to or participation by Respondent. By signing the
4 stipulation, Respondent understands and agrees that he may not withdraw his agreement or seek
5 to rescind the stipulation prior to the time the Bureau Chief considers and acts upon it. If the
6 Bureau Chief fails to adopt this stipulation as its Decision and Order, the Stipulated Surrender and
7 Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be inadmissible
8 in any legal action between the parties, and the Bureau shall not be disqualified from further
9 action by having considered this matter.

10 14. The parties understand and agree that Portable Document Format (PDF) and facsimile
11 copies of this Stipulated Surrender of License and Order, including Portable Document Format
12 (PDF) and facsimile signatures thereto, shall have the same force and effect as the originals.

13 15. This Stipulated Surrender of License and Order is intended by the parties to be an
14 integrated writing representing the complete, final, and exclusive embodiment of their agreement.
15 It supersedes any and all prior or contemporaneous agreements, understandings, discussions,
16 negotiations, and commitments (written or oral). This Stipulated Surrender of License and Order
17 may not be altered, amended, modified, supplemented, or otherwise changed except by a writing
18 executed by an authorized representative of each of the parties.

19 16. In consideration of the foregoing admissions and stipulations, the parties agree that
20 the Bureau Chief may, without further notice or formal proceeding, issue and enter the following
21 Order:

22 **ORDER**

23 IT IS HEREBY ORDERED that Certified Residential Appraiser License No. 012587,
24 issued to Respondent Paul P. Roy, is surrendered and accepted by the Bureau of Real Estate
25 Appraisers.

26 1. The surrender of Respondent's Certified Residential Appraiser License and the
27 acceptance of the surrendered license by the Bureau shall constitute the imposition of discipline
28 against Respondent. This stipulation constitutes a record of the discipline and shall become a part

1 of Respondent's license history with the Bureau of Real Estate Appraisers.

2 2. Respondent shall lose all rights and privileges as a Real Estate Appraiser in California
3 as of the effective date of the Bureau's Decision and Order.

4 3. Respondent shall cause to be delivered to the Bureau his license certificate on or
5 before the effective date of the Decision and Order.

6 4. If he ever applies for licensure or any certificate or registration as an appraisal
7 management company to the Bureau of Real Estate Appraisers, or petitions for reinstatement in
8 the State of California, the Bureau shall treat it as a new application for licensure or certification.
9 Respondent must comply with all the laws, regulations and procedures for licensure in effect at
10 the time the application or petition is filed, and all of the charges and allegations contained in
11 Accusation/Petition to Revoke Probation No. C120423-13 shall be deemed to be true, correct and
12 admitted by Respondent when the Bureau determines whether to grant or deny the application or
13 petition.

14 5. Respondent shall not be eligible to apply for a new license or for a certification of
15 registration as an appraisal management company until 1 year from the effective date of this
16 Stipulated Surrender.

17 6. Respondent shall pay the agency its costs of investigation and enforcement in the
18 amount of \$6,643.60 prior to issuance of a new or reinstated license.

19 7. Respondent shall pay the Bureau an administrative fine of \$10,000 prior to issuance
20 of a new or reinstated license. However, Respondent shall not be required to pay these charges as
21 long as his license remains surrendered.

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1 ACCEPTANCE

2 I have carefully read the Stipulated Surrender of License and Order. I understand the
3 stipulation and the effect it will have on my Certified Residential Appraiser License. I enter into
4 this Stipulated Surrender of License and Order voluntarily, knowingly, and intelligently, and
5 agree to be bound by the Decision and Order of the Bureau of Real Estate Appraisers.

6
7 DATED: 7/28/2014

Original Signed

8 PAUL P. ROY
9 Respondent

10 ENDORSEMENT

11 The foregoing Stipulated Surrender of License and Order is hereby respectfully submitted
12 for consideration by the Bureau of Real Estate Appraisers.

13 Dated: 7/29/2014

Respectfully submitted,

14 KAMALA D. HARRIS
15 Attorney General of California
16 GREGORY J. SALUTE
Supervising Deputy Attorney General

17 **Original Signed**

18 KATHERINE MESSANA
19 Deputy Attorney General
Attorneys for Complainant

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Exhibit A

Accusation/Petition to Revoke Probation No. C120423-13

1 KAMALA D. HARRIS
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8 **BEFORE THE**
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10 **DEPARTMENT OF CONSUMER AFFAIRS**
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation and Petition to
Revoke Probation Against:

13 **PAUL P. ROY**

14 P.O. Box 12450
La Crescenta, CA 91224

15 Certified Residential Appraiser License No.
16 012587

17 Respondent.

Case No. C120423-13

**ACCUSATION AND PETITION TO
REVOKE PROBATION**

18
19 Complainant alleges:

20 **PARTIES**

21 1. Elizabeth Seaters, acting on behalf of the Bureau of Real Estate Appraisers
22 ("Complainant"), Department of Consumer Affairs brings this Accusation and Petition to Revoke
23 Probation solely in her official capacity as Chief of Enforcement for Complainant.

24 2. On or about January 18, 1994, the Bureau of Real Estate Appraisers (formerly Office
25 of Real Estate Appraisers) issued Certified Residential Appraiser License Number 012587 to Paul
26 P. Roy ("Respondent"). The Certified Residential Appraiser License was in full force and effect
27 at all times relevant to the charges brought herein and will expire on July 5, 2014, unless renewed.

28 ///

1 3. In a disciplinary action entitled *In the Matter of the Accusation Against Paul P. Roy*,
2 Case Nos. C091029-01, C100510-08, and C101203-01, the Bureau of Real Estate Appraisers
3 issued a Decision and Order, effective January 19, 2012, in which Respondent's Certified
4 Residential Appraiser License was revoked. However, the revocation was stayed and
5 Respondent's Certified Residential Appraiser License was placed on probation for three (3) years
6 with certain terms and conditions. A copy of that Decision and Order is attached as Exhibit A
7 and is incorporated by reference.

8 **JURISDICTION AND STATUTORY PROVISIONS FOR ACCUSATION**

9 4. This Accusation is brought before the Bureau of Real Estate Appraisers (Bureau) for
10 the Department of Consumer Affairs, under the authority of the following laws. All section
11 references are to the Business and Professions Code ("Code") unless otherwise indicated.

12 5. Business and Professions Code section 11301 states:

13 “(a) There is hereby created within the Department of Consumer Affairs a
14 Bureau of Real Estate Appraisers to administer and enforce this part.

15 “(b) Whenever the term “Office of Real Estate Appraisers” appears in any
16 other law, it means the “Bureau of Real Estate Appraisers.”

17 6. Business and Professions Code section 11313 states:

18 “The bureau is under the supervision and control of the Director of
19 Consumer Affairs. The duty of enforcing and administering this part is vested in the
20 chief, and he or she is responsible to the Director of Consumer Affairs therefor. The
21 chief shall adopt and enforce rules and regulations as are determined reasonably
22 necessary to carry out the purposes of this part. Those rules and regulations shall be
23 adopted pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of
24 Division 3 of Title 2 of the Government Code. Regulations adopted by the former
25 Director of the Office of Real Estate Appraisers shall continue to apply to the bureau
26 and its licensees.”

27 7. Business and Professions Code section 11314 states, in pertinent part:

28 “The office is required to include in its regulations requirements for
licensure and discipline of real estate appraisers that ensure protection of the public
interest.”

 8. Business and Professions Code section 11319 states:

 “Notwithstanding any other provision of this code, the Uniform Standards
of Professional Appraisal Practice constitute the minimum standard of conduct and
performance for a licensee in any work or service performed that is addressed by
those standards. If a licensee also is certified by the Board of Equalization, he or she
shall follow the standards established by the Board of Equalization when fulfilling his

or her responsibilities for assessment purposes.”

9. Business and Professions Code section 11315.3 states:

“The suspension, expiration, or forfeiture by operation of law of a license or certificate of registration issued by the office, or its suspension, forfeiture, or cancellation by order of the office or by order of a court of law, or its surrender without the written consent of the office, shall not, during any period in which it may be renewed, restored, reissued, or reinstated, deprive the office of its authority to institute or continue a disciplinary proceeding against the licensee or registrant upon any ground provided by law or to enter an order suspending or revoking the license or certificate of registration, or otherwise taking disciplinary action against the licensee or registrant on any such ground.”

10. Business and Professions Code section 11316 authorizes the Director to fine licensees or applicants for statutory or regulatory violations:

“(a) The director may assess a fine against a licensee, applicant for licensure, person who acts in a capacity that requires a license under this part, course provider, applicant for course provider accreditation, or a person who, or entity that, acts in a capacity that requires course provider accreditation for violation of this part or any regulations adopted to carry out its purposes.

(b) (1) Failure of a licensee, applicant for licensure, person who acts in a capacity that requires a license under this part, course provider, applicant for course provider accreditation, or a person who, or entity that, acts in a capacity that requires course provider accreditation to pay a fine or make a fine payment within 30 days of the date of assessment shall result in disciplinary action by the office. If a licensee, applicant for licensure, person who acts in a capacity that requires a license under this part, course provider, applicant for course provider accreditation, or a person who, or entity that, acts in a capacity that requires course provider accreditation fails to pay a fine within 30 days, the director shall charge him or her interest and a penalty of 10 percent of the fine or payment amount. Interest shall be charged at the pooled money investment rate.

(2) If a fine is not paid, the full amount of the assessed fine shall be added to any fee for renewal of a license. A license shall not be renewed prior to payment of the renewal fee and fine.

(3) The director may order the full amount of any fine to be immediately due and payable if any payment on the fine, or portion thereof, is not received within 30 days of its due date.

(4) Any fine, or interest thereon, not paid within 30 days of a final order shall constitute a valid and enforceable civil judgment.

(5) A certified copy of the final order shall be conclusive proof of the validity of the order of payment and the terms of payment.

(c) Any administrative fine or penalty imposed pursuant to this section shall be in addition to any other criminal or civil penalty provided for by law.

(d) Administrative fines collected pursuant to this section shall be deposited in the Real Estate Appraisers Regulation Fund.”

1 11. California Code of Regulations, title 10, section 3701 states:

2 "Every holder of a license under this part shall conform to and observe
3 the Uniform Standards of Professional Appraisal Practice (USPAP) and any
4 subsequent amendments thereto as promulgated by the Appraisal Standards Board of
The Appraisal Foundation which standards are herein incorporated into these
regulations by reference as if fully set forth herein."

5 12. Title 10, California Code of Regulations section 3702 states that:

6 "(a) The Director finds and declares as follows:

7 (1) That the profession of real estate appraisal is vested with a fiduciary
8 relationship of trust and confidence as to clients, lending institutions, and both public
and private guarantors or insurers of funds in federally-related real estate transactions
9 and that the qualifications of honesty, candor, integrity, and trustworthiness are
directly and substantially related to and indispensable to the practice of the appraisal
profession;

10 (2) That registered Appraisal Management Companies are vested with a
11 relationship of trust and confidence as to their clients, lending institutions, and both
public and private guarantors or insurers of funds in federally-related real estate
12 transactions and that the qualifications of honesty, candor, integrity, and
trustworthiness are directly and substantially related to and indispensable to their
13 business operations; and

14 (3) Every holder of a license to practice real estate appraisal, Registrant,
Controlling Person of an Appraisal Management Company, or person or entity acting
15 in a capacity requiring a license or Certificate of Registration shall be required to
demonstrate by his or her conduct that he or she possesses the qualifications of
16 honesty, candor, integrity, and trustworthiness.

17 (b) The Director may require such proof as he may deem advisable
concerning the special qualifications of an applicant for or holder of an appraisers'
18 license or a Certificate of Registration."

19 13. California Code of Regulations, title 10, section 3721 states:

20 "(a) The Director may issue a citation, order of abatement, assess a fine or
private or public reproof, suspend or revoke any license or Certificate of
21 Registration, and/or may deny the issuance or renewal of a license or Certificate of
Registration of any person or entity acting in a capacity requiring a license or
22 Certificate of Registration who has:

23 (1) Been convicted of a felony or any crime which is substantially related
to the qualifications, functions, or duties of the profession of real estate appraisal;

24 (2) Done any act involving dishonesty, fraud or deceit with the intent to
25 benefit himself or another, or to injure another;

26 (3) Been convicted for a commission or solicitation of a criminal act
which involved or threatened bodily harm to others;

27 (4) Done any act which if done by the holder of a license to practice real
28 estate appraisal would be grounds for revocation or suspension of such license;

1 (5) Knowingly made a false statement of material fact required to be
disclosed in an application for a license authorizing the practice of real estate
appraisal;

2 (6) Violated any provision of USPAP;

3 (7) Violated any provision of the Real Estate Appraisers' Licensing and
4 Certification Law, Part 3 (commencing with Section 11300) of Division 4 of the
Business and Professions Code, or regulations promulgated pursuant thereto; or any
5 provision of the Business and Professions Code applicable to applicants for or holders
6 of licenses authorizing appraisals;

7 (8) Been prohibited from participating in the affairs of an insured
depository institution pursuant to Section 19(a) of the Federal Deposit Insurance Act
8 (12 U.S.C. Section 1829.); or

9 (9) Submitted a financial instrument to OREA for the payment of any fee,
fine or penalty which instrument is subsequently dishonored by the issuing institution
10 due to an act or omission of that person.

11 (b) Before issuing any private or public reproof or denying, suspending,
or revoking any license or Certificate of Registration issued or issuable under the
12 provisions of the Real Estate Appraisers Licensing and Certification Law or these
regulations, the Office shall proceed as prescribed by Chapter 5 (commencing with
13 Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code (the
Administrative Procedure Act) and the Office shall have all the powers granted
14 therein.

15 (c) Any person issued a citation containing a fine or order of abatement
may contest the citation by filing a written notice with the Office within 30 calendar
16 days that states with specificity the basis of the appeal. Upon receipt of such notice,
the Office shall proceed as prescribed by Chapter 5 (commencing with Section 11500)
17 of Part 1 of Division 3 of Title 2 of the Government Code (the Administrative
Procedure Act) and the Office shall have all the powers granted therein."

18 COST RECOVERY

19 14. Business and Professions Code section 11409, subdivision (a) states:

20 "Except as otherwise provided by law, any order issued in resolution of a
disciplinary proceeding may direct a licensee, applicant for licensure, person who acts
21 in a capacity that requires a license under this part, registrant, applicant for a
certificate of registration, course provider, applicant for course provider accreditation,
22 or a person who, or entity that, acts in a capacity that requires course provider
accreditation found to have committed a violation or violations of statutes or
23 regulations relating to real estate appraiser practice to pay a sum not to exceed the
reasonable costs of investigation, enforcement, and prosecution of the case."

24 2010-2011 UNIFORM STANDARDS OF PROFESSIONAL APPRAISER PRACTICE

25 15. Uniform Standards of Professional Appraiser Practice ("USPAP") Standards Rule 1
26 states:

27 "In developing a real property appraisal, an appraiser must identify the
28 problem to be solved, determine the scope of work necessary to solve the problem,

1 and correctly complete research and analyses necessary to produce a credible
2 appraisal."

3 16. USPAP Standards Rule 1-1, states:

4 "In developing a real property appraisal, an appraiser must:

5 (a) be aware of, understand, and correctly employ those recognized
6 methods and techniques that are necessary to produce a credible appraisal;

7 (b) not commit a substantial error of omission or commission that
8 significantly affects an appraisal; and

9 (c) not render appraisal services in a careless or negligent manner, such
10 as by making a series of errors that, although individually might not significantly
11 affect the results of an appraisal, in the aggregate affects the credibility of those
12 results."

13 17. USPAP Standards Rule 1-2, states:

14 "In developing a real property appraisal, an appraiser must:

15 (a) identify the client and other intended users; [footnote omitted]

16 (b) identify the intended use of the appraiser's opinions and conclusions;
17 [footnote omitted]

18 (c) identify the type and definition of value, and, if the value opinion to
19 be developed is market value, ascertain whether the value is to be the most probable
20 price:

21 (i) in terms of cash; or

22 (ii) in terms of financial arrangements equivalent to cash; or

23 (iii) in other precisely defined terms; and

24 (iv) if the opinion of value is to be based on non-market financing or
25 financing with unusual conditions or incentives, the terms of such financing must be
26 clearly identified and the appraiser's opinion of their contributions to or negative
27 influence on value must be developed by analysis of relevant market data;

28 (d) identify the effective date of the appraiser's opinions and
conclusions; [footnote omitted]

(e) identify the characteristics of the property that are relevant to the type
and definition of value and intended use of the appraisal, [footnote omitted]
including:

(i) its location and physical, legal, and economic attributes;

(ii) the real property interest to be valued;

(iii) any personal property, trade fixtures, or intangible items that are not
real property but are included in the appraisal;

1 (iv) any known easements, restrictions, encumbrances, leases,
2 reservations, covenants, contracts, declarations, special assessments, ordinances, or
3 other items of a similar nature; and

4 (v) whether the subject property is a fractional interest, physical segment,
5 or partial holding;

6 (f) identify any extraordinary assumptions necessary in the assignment;

7 (g) identify any hypothetical conditions necessary in the assignment; and

8 (h) determine the scope of work necessary to produce credible
9 assignment results in accordance with the SCOPE OF WORK RULE. [footnote
10 omitted]"

11 18. USPAP Standards Rule 1-3, states

12 "When necessary for credible assignment results in developing a market
13 value opinion, an appraiser must:

14 (a) identify and analyze the effect on use and value of existing land use
15 regulations, reasonably probable modifications of such land use regulations, economic
16 supply and demand, the physical adaptability of the real estate, and market area
17 trends; and

18 (b) develop an opinion of the highest and best use of the real estate."

19 19. USPAP Standards Rule 1-4, states

20 "In developing a real property appraisal, an appraiser must collect, verify,
21 and analyze all information necessary for credible assignment results.

22 (a) When a sales comparison approach is necessary for credible
23 assignment results, an appraiser must analyze such comparable sales data as are
24 available to indicate a value conclusion.

25 (b) When a cost approach is necessary for credible assignment results, an
26 appraiser must:

27 (i) develop an opinion of site value by an appropriate appraisal method
28 or technique;

(ii) analyze such comparable cost data as are available to estimate the
cost new of the improvements (if any); and

(iii) analyze such comparable data as are available to estimate the
difference between the cost new and the present worth of the improvements (accrued
depreciation).

(c) When an income approach is necessary for credible assignment
results, an appraiser must:

(i) analyze such comparable rental data as are available and/or the
potential earnings capacity of the property to estimate the gross income potential of
the property;

1 (ii) analyze such comparable operating expense data as are available
to estimate the operating expenses of the property;

2 (iii) analyze such comparable data as are available to estimate rates of
3 capitalization and/or rates of discount; and

4 (iv) base projections of future rent and/or income potential and expenses
on reasonably clear and appropriate evidence. [footnote omitted]

5 (d) When developing an opinion of the value of a leased fee estate or a
6 leasehold estate, an appraiser must analyze the effect on value, if any, of the terms and
conditions of the lease(s).

7 (e) When analyzing the assemblage of the various estates or component
8 parts of a property, an appraiser must analyze the effect on value, if any, of the
assemblage. An appraiser must refrain from valuing the whole solely by adding
9 together the individual values of the various estates or component parts.

10 (f) When analyzing anticipated public or private improvements, located
on or off the site, an appraiser must analyze the effect on value, if any, of such
11 anticipated improvements to the extent they are reflected in market actions.

12 (g) When personal property, trade fixtures, or intangible items are
included in the appraisal, the appraiser must analyze the effect on value of such non-
13 real property items."

14 20. USPAP Standards Rule 1-5, states:

15 "When the value opinion to be developed is market value, an appraiser
must, if such information is available to the appraiser in the normal course of
16 business: [footnote omitted]

17 (a) analyze all agreements of sale, options, and listings of the subject
property current as of the effective date of the appraisal; and

18 (b) analyze all sales of the subject property that occurred within the three
19 (3) years prior to the effective date of the appraisal. [footnote omitted]"

20 21. USPAP Standards Rule 2 states:

21 "In reporting the results of a real property appraisal, an appraiser must
communicate each analysis, opinion, and conclusion in a manner that is not
22 misleading. [footnote omitted]"

23 22. USPAP Standards Rule 2-1, states:

24 "Each written or oral real property appraisal report must:

25 (a) clearly and accurately set forth the appraisal in a manner that will not
be misleading;

26 (b) contain sufficient information to enable the intended users of the
27 appraisal to understand the report properly; and

28 (c) clearly and accurately disclose all assumptions, extraordinary
assumptions, hypothetical conditions, and limiting conditions used in the

assignment.”

23. USPAP Standards Rule 2-2, states, in pertinent part:

“Each written real property appraisal report must be prepared under one of the following three options and prominently state which option is used: Self-Contained Appraisal Report, Summary Appraisal Report, or Restricted Use Appraisal Report. [footnote omitted]

(b) The content of a Summary Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum:

(i) state the identity of the client and any intended users, by name or type; [footnote omitted]

(ii) state the intended use of the appraisal; [footnote omitted]

(iii) summarize information sufficient to identify the real estate involved in the appraisal, including the physical and economic property characteristics relevant to the assignment; [footnote omitted]

(iv) state the real property interest appraised;

(v) state the type and definition of value and cite the source of the definition;

(vi) state the effective date of the appraisal and the date of the report; [footnote omitted]

(vii) summarize the scope of work used to develop the appraisal; [footnote omitted]

(viii) summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained;

(ix) state the use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal; and, when an opinion of highest and best use was developed by the appraiser, summarize the support and rationale for that opinion;

(x) clearly and conspicuously:

state all extraordinary assumptions and hypothetical conditions; and

state that their use might have affected the assignment results; and

(xi) include a signed certification in accordance with Standards Rule 2-3.”

24. USPAP Ethics Rule, states, in pertinent part:

“An appraiser must promote and preserve the public trust inherent in

1 appraisal practice by observing the highest standards of professional ethics.

2 An appraiser must comply with USPAP when obligated by law or
3 regulation, or by agreement with the client or intended users. In addition to these
4 requirements, an individual should comply any time that individual represents that he
5 or she is performing the service as an appraiser.

6 Conduct:

7 An appraiser must perform assignments with impartiality, objectivity, and
8 independence, and without accommodation of personal interests.

9 An appraiser:

- 10 • must not perform an assignment with bias;
- 11 • must not advocate the cause or interest of any party or issue;
- 12 • must not accept an assignment that includes the reporting of predetermined
13 opinions and conclusions;
- 14 • must not misrepresent his or her role when providing valuation services that are
15 outside of appraisal practice;
- 16 • must not communicate assignment results with the intent to mislead or to defraud;
- 17 • must not use or communicate a report that is known by the appraiser to be
18 misleading or fraudulent;
- 19 • must not knowingly permit an employee or other person to communicate a
20 misleading or fraudulent report;
- 21 • must not use or rely on unsupported conclusions relating to characteristics such
22 as race, color, religion, national origin, gender, marital status, familial status, age,
23 receipt of public assistance income, handicap, or an unsupported conclusion that
24 homogeneity of such characteristics is necessary to maximize value;
- 25 • must not engage in criminal conduct; and
- 26 • must not perform an assignment in a grossly negligent manner.

27 If known prior to accepting an assignment, and/or if discovered at any time during the
28 assignment, an appraiser must disclose to the client, and in the subsequent report certification:

- any current or prospective interest in the subject property or parties involved; and

- any services regarding the subject property performed by the appraiser within the three year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity.

...

Record Keeping:

An appraiser must prepare a workfile for each appraisal, appraisal review, or appraisal consulting assignment. A workfile must be in existence prior to the issuance of a written or oral report. A written summary of an oral report must be added to the workfile within a reasonable time after the issuance of the oral report.

The workfile must include:

- the name of the client and the identity, by name or type, of any other intended users;
- true copies of any written reports, documented on any type of media (A true copy is a replica of the report transmitted to the client. A photocopy or an electronic copy of the entire signed report transmitted to the client satisfies the requirement of a true copy.);
- summaries of any oral reports or testimony, or a transcript of testimony, including the appraiser's signed and dated certification; and
- all other data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other documentation.

An appraiser must retain the workfile for a period of at least five years after preparation or at least two years after final disposition of any judicial proceeding in which the appraiser provided testimony related to the assignment, whichever period expires last.

An appraiser must have custody of his or her workfile, or make appropriate workfile retention, access, and retrieval arrangements with the party having custody of the workfile.

An appraiser having custody of a workfile must allow other appraisers with workfile obligations related to an assignment appropriate access and retrieval for the purpose of:

- submission to state appraiser regulatory agencies;

- compliance with due process of law;
- submission to a duly authorized professional peer review committee; or
- compliance with retrieval arrangements.”

FIRST CAUSE FOR DISCIPLINE

(USPAP Violations)

25. Respondent is subject to disciplinary action under California Code of regulations, title 10, section 3721(a)(6) and (a)(7) in conjunction with California Code of Regulations, title 10, section 3701 and Business and Professions Code section 11319 in that Respondent violated USPAP. The circumstances are, as follows:

26. On or about October 17, 2011, Respondent completed an appraisal of the property located at 4932 Casa Drive, Tarzana, CA 91356 (“Casa subject”). The report contains certain errors or omissions, in violation of the provisions of the Uniform Standards of Professional Appraisal Practice (USPAP), listed as follows:

a) Respondent failed to identify the characteristics of the property that were relevant to the type and definition of value and intended use of the appraisal assignment when he opined an as-is value for the subject property but failed to accurately and consistently report the characteristics of the subject property when he:

- inaccurately reported that the subject was located off a public road, when it was located off a private road,
- inaccurately reported that the subject was connected to public sewer, when it was connected to a private septic system,
- inaccurately reported that the subject only had a view of the house across the street/residential, when it had a city view,
- fallaciously reported an attached three-car garage,
- failed to fully report the condition of the guest house and bonus room, when he failed to report that the guest house and bonus room had extensive fire damage, and could not be rebuilt because they were not legally established with permits.

- reported the bedroom and bathroom count of both the upper and lower levels but only reported the Gross Living Area (GLA) for the lower level, and
- failed to report why he was applying a cost to cure for permits when the upper level could not be permitted.

Respondent's actions violated USPAP Standards Rules 1-2(e)(i) and 2-2(b)(iii).

b) Respondent reported that the subject property was legally conforming when it was an illegal use because the upper level, guest house, and bonus room were not legally established with the required permits and/or would not have been able to be legally established with permits.

Respondent's actions violated USPAP Standards Rules 1-2(e)(i) and 2-2(b)(iii).

c) Respondent reported inconsistent one-unit property value trends when he reported that property values were declining in one area of the appraisal report, but reported that they were stable in another area of the report. Respondent's actions violated USPAP Standards Rules 1-3(a) and 2-2(b)(iii).

d) Respondent developed and reported a misleading Sales Comparison Approach to value by utilizing comparable sales that were not adequate substitute properties for the subject property "as-is" condition because the comparable sales were selected utilizing search criteria based on a fallacious reporting of the subject property characteristics. Additionally, he fallaciously reported, or failed to report and analyze information about the comparable sales utilized. Respondent's actions violated USPAP Standards Rules 1-4(a) and 2-2(b)(viii).

e) Respondent failed to analyze the prior sale for the subject property that occurred within the three (3) years prior to the effective date of the appraisal. He also failed to reconcile why the appraised value for the subject property was in excess of 27% higher than this sale that occurred 19 months prior in a market that he reported as having declining or stable property values. Respondent's actions violated USPAP Standards Rules 1-5(b) and 2-2(b)(viii).

f) Respondent failed to maintain a workfile with the required data, information, and documentation necessary to support his opinions and conclusion and to show compliance with USPAP, or references to the location of this required documentation. Respondent's actions violated the USPAP Record Keeping Section of the Ethics Rule.

1 g) Based on findings a, b, c, d, and e above, Respondent knowingly prepared a
2 misleading appraisal report and participated in unethical appraisal practices that resulted in the
3 production of a misleading appraisal report. Respondent's actions violated USPAP Standards
4 Rules 1-1(a), 1-1(b), 2-1 (a), 2-1(b), and the Conduct Section of the Ethics Rule.

5 **SECOND CAUSE FOR DISCIPLINE**

6 **(USPAP Violations)**

7 27. Respondent is subject to disciplinary action under California Code of regulations, title
8 10, section 3721(a)(6) and (a)(7) in conjunction with California Code of Regulations, title 10,
9 section 3701 and Business and Professions Code section 11319 in that Respondent violated
10 USPAP. The circumstances are, as follows:

11 28. On or about December 8, 2011, Respondent completed an appraisal of the property
12 located at 8039 Nestle Avenue, Reseda, CA 91335 ("Nestle subject"). The report contains certain
13 errors or omissions, in violation of the provisions of the Uniform Standards of Professional
14 Appraisal Practice (USPAP), listed as follows:

15 a) Respondent failed to identify the characteristics of the property that were relevant to
16 the type and definition of value and intended use of the appraisal assignment when he failed to
17 report that an attached patio was in significant disrepair, but instead reported that the subject
18 property met or exceeded HUD safety guidelines. Respondent's actions violated USPAP
19 Standards Rules 1-2(e)(i) and 2-2(b)(iii).

20 b) Respondent reported inconsistent one-unit property value trends when he reported
21 that property values were declining in one area of the appraisal report, but reported that they were
22 stable in another area of the report. Respondent's actions violated USPAP Standards Rules 1-3(a)
23 and 2-2(b)(iii).

24 c) Respondent developed and reported a misleading Sales Comparison Approach to
25 value by fallaciously reporting or failing to report and analyze information about the reported
26 comparable sales. Respondent's actions violated USPAP Standards Rules 1-4(a) and 2-2(b)(viii).

27 d) Respondent failed to maintain a workfile with the required data, information, and
28 documentation necessary to support his opinions and conclusion and to show compliance with

1 USPAP, or references to the location of this required documentation. Respondent's actions
2 violated the USPAP Record Keeping Section of the Ethics Rule.

3 Based on findings a, b, and c above, Respondent knowingly prepared a misleading appraisal
4 report and participated in unethical appraisal practices that resulted in the production of a
5 misleading appraisal report. Respondent's actions violated USPAP Standards Rules 1-1(a), 1-
6 1(b), 2-1 (a), 2-1(b), and the USPAP Conduct Section of the Ethics Rule.

7 JURISDICTION FOR PETITION TO REVOKE PROBATION

8 29. This Petition to Revoke Probation is brought before the Bureau of Real Estate
9 Appraisers (Bureau) for the Department of Consumer Affairs under Probation Term and
10 Condition Number 10 of the Decision and Order in the disciplinary proceeding entitled *In the*
11 *Matter of the Accusation Against Paul P. Roy*, Case No. C091029-01, C100510-08, C101203-01.
12 Condition Number 10 states:

13 "Violation of Probation. If Respondent violates probation in any
14 respect, the Director of the Office of Real Estate Appraisers, after giving Respondent
15 notice and an opportunity to be heard, may revoke probation and carry out the
16 disciplinary order that was stayed. If an accusation or a petition to revoke probation is
17 filed against Respondent during probation, the Director shall have continuing
18 jurisdiction until the matter is final, and the period of probation shall be extended
19 until the matter is final."

20 FIRST CAUSE TO REVOKE PROBATION

21 (Appraisal Log/Work Samples)

22 7. At all times after the effective date of Respondent's probation, Condition 3 stated:

23 "Appraisal Log/Work Samples. Commencing on the effective date of
24 the Decision and Order and continuing for a period of 30 months, Respondent shall
25 maintain a log of all appraisals Respondent performs on the Log of Appraisal
26 Experience (REA 3004) form. Respondent shall submit a complete and accurate copy
27 of the log of all appraisals completed each six months. Each six month log shall be
28 submitted to the Office of Real Estate Appraisers within 30 days following the end of
each six-month period. Respondent understands that the Office of Real Estate
Appraisers has the option to select work samples for review from each submitted six-
month appraisal log."

8. Respondent's probation is subject to revocation because he failed to comply with
Probation Condition 3, referenced above. The facts and circumstances regarding this violation
are, as follows:

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1 A. Respondent has failed to provide OREA with any Appraisal Logs. Therefore,
2 Respondent has failed to timely comply with Condition 3 of the Stipulated Settlement and
3 Disciplinary Order.

4 **SECOND CAUSE TO REVOKE PROBATION**

5 **(Cost Reimbursement)**

6 7. At all times after the effective date of Respondent's probation, Condition 12 stated:

7 "Cost Reimbursement. Respondent shall reimburse the Office of Real
8 Estate Appraisers the sum of \$3,0000 for its investigation and prosecution costs. Said
9 payment may be made under a payment plan as follows: as sum of not less than \$375
10 shall be made within 30 days of the effective date of the Decision and Order.
11 Thereafter, payments of not less than \$375 shall continue to be made on a quarterly
12 basis. Full and final payment must be received by OREA within 24 months of the
13 effective date of the Decision and Order. Payment shall be made to the Real Estate
14 Appraisers Regulation Fund, c/o Office of Real Estate Appraisers, 1102 Q Street,
15 Suite 4100, Sacramento, California 95811 by check or money order and shall indicate
16 on its face the notation: OREA Case Nos. C091029-01, C100510-08, and C1001203-
17 01. Failure to reimburse the Office of Real Estate Appraisers cost of its investigation
18 and prosecution shall constitute a violation of the probationary order."

13 8. Respondent's probation is subject to revocation because he failed to comply with
14 Probation Condition 12, referenced above. The facts and circumstances regarding this violation
15 are, as follows:

16 A. Respondent made one payment in the amount of \$750.00 on July 5, 2012. As of June
17 3, 2013, Respondent failed to make any other payments. Therefore, Respondent has failed to
18 timely comply with Condition 12 of the Stipulated Settlement and Disciplinary Order.

19 **THIRD CAUSE TO REVOKE PROBATION**

20 **(Payment of Outstanding Fine)**

21 7. At all times after the effective date of Respondent's probation, Condition 15 stated:

22 "Payment of Outstanding Fine. Respondent further acknowledges and
23 agrees to pay a fine pursuant to Business and Professions Code section 11316(a) and
24 California Code of Regulations, title 10, section 3721(a), for the sum of \$2,500.00.
25 Said payment may be made under a payment plan as follows: as a sum of not less
26 than \$312.50 shall be made within 30 days of the effective date of the Decision and
27 Order. Thereafter, payments of not less than \$312.50 shall continue to be made on a
28 quarterly basis. Full and final payment must be received by OREA within 24 months
of the effective date of the Decision and Order. Payment shall be made to the Real
Estate Appraisers Regulation Fund, c/o Office of Real Estate Appraisers, 1102 Q
Street, Suite 4100, Sacramento, California 95811 by check or money order and shall
indicate on its face the notation: OREA Case Nos. C091029-01, C100510-08,

1 C101203-01. Respondent shall also submit the *Remittance Notification* (REA 2032)
2 form with payment, which will be provided by the Office upon acceptance of this
3 Stipulation and Waiver. If full payment is not received by the Office by the due date
4 as noted in the invoice, a 10 percent late penalty shall be added to the unpaid balance
5 and interest will accrue on the unpaid balance at the pooled money investment rate in
6 effect at the time, until the full amount is paid. If the unpaid balance plus 10 percent
7 late penalty and interest on the unpaid balance are not received by the Office within
8 30 days thereafter, my appraiser license may be automatically suspended without
9 further notice by the Office and will not be eligible for reinstatement prior to receipt
10 of the full payment of the unpaid balance, penalty, and interest. Respondent shall not
11 be eligible to renew his license until such time as full payment of the outstanding fine
12 has been made."

13 8. Respondent's probation is subject to revocation because he failed to comply with
14 Probation Condition 15, referenced above. The facts and circumstances regarding this violation
15 are, as follows:

16 A. Respondent made one payment in the amount of \$625.00 on July 5, 2012. As of June
17 3, 2013, Respondent failed to make any other payments. Therefore, Respondent has failed to
18 timely comply with the terms of Condition 15 of the Stipulated Settlement and Disciplinary
19 Order.

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1 **PRAYER**

2 WHEREFORE, Complainant requests that a hearing be held on the matters alleged in this
3 Accusation and Petition to Revoke Probation, and that following the hearing, the Bureau of Real
4 Estate Appraisers issue a decision:

5 1. Revoking the probation that was granted by the Bureau of Real Estate Appraisers in
6 Case No. C091029-01, C100510-08, C101203-01 and imposing the disciplinary order that was
7 stayed thereby revoking Certified Residential Appraiser License No. 012587 issued to Paul P.
8 Roy;

9 2. Revoking or suspending Certified Residential Appraiser License No. 012587, issued
10 to Paul P. Roy;

11 3. Ordering Paul P. Roy to pay a fine to the Bureau of Real Estate Appraisers, pursuant
12 to Business and Professions Code section 11316;

13 4. Ordering Paul P. Roy to pay the Bureau of Real Estate Appraisers the reasonable costs
14 of the investigation and enforcement of this case, pursuant to Business and Professions Code
15 section 11409;

16 5. Taking such other and further action as deemed necessary and proper.
17
18

19 **Original Signed**

20 DATED: 11/26/13

21 ELIZABETH SEATERS
22 Chief of Enforcement
23 Bureau of Real Estate Appraisers
24 Department of Consumer Affairs
25 State of California
26 Complainant

27 LA2013509939
28 51403261.doc

Exhibit A

Decision and Order

Bureau of Real Estate Appraisers Case No. C091029-01, C100510-08, C101203-01

BEFORE THE
DIRECTOR OF THE OFFICE OF REAL ESTATE APPRAISERS
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

Case Nos.: C091029-01,
C100510-08 and C101203-01

PAUL P. ROY
P.O. Box 12450
La Crescenta, CA 91224

Real Estate Appraiser License No. AR 012587

Respondent.

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by
the Office of Real Estate Appraisers, as its Decision in this matter.

This Decision shall become effective on 01/19/2012.

It is so ORDERED 12/20/2011.

Original Signed

Bob Clark, Director
FOR THE OFFICE OF REAL ESTATE APPRAISERS

1 KAMALA D. HARRIS
Attorney General of California
2 MARC D. GREENBAUM
Supervising Deputy Attorney General
3 GILLIAN E. FRIEDMAN
Deputy Attorney General
4 State Bar No. 169207
300 So. Spring Street, Suite 1702
5 Los Angeles, CA 90013
Telephone: (213) 897-2564
6 Facsimile: (213) 897-2804
Attorneys for Complainant

7
8 **BEFORE THE**
DIRECTOR OF THE OFFICE OF REAL ESTATE APPRAISERS
9 **STATE OF CALIFORNIA**

10 In the Matter of the Accusation Against:

11 **PAUL P. ROY**
12 **P.O. Box 12450**
13 **La Crescenta, CA 91224**

14 **Certified Residential Appraiser License No.**
15 **AR012587**

16 Respondent.

Case Nos. C091029-01, C100510-08 and
C101203-01

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

17
18 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
19 entitled proceedings that the following matters are true:

20 **PARTIES**

21 1. Elizabeth Seaters, acting on behalf of the Office of Real Estate Appraisers
22 (Complainant) brought this Accusation solely in her official capacity as a Supervising Property
23 Appraiser Investigator for Complainant and is represented in this matter by Kamala D. Harris,
24 Attorney General of the State of California, by Gillian E. Friedman, Deputy Attorney General.

25 2. Respondent Paul P. Roy (Respondent) is representing himself in this proceeding and
26 has chosen not to exercise his right to be represented by counsel.

27 3. On or about January 18, 1994, the Office of Real Estate Appraisers issued Certified
28 Residential Appraiser License No. AR012587 to Respondent. The Certified Residential

1 Appraiser License was in full force and effect at all times relevant to the charges brought in
2 Accusation Case Nos. C091029-01, C100510-08 and C101203-01 and will expire on July 5,
3 2012, unless renewed.

4 JURISDICTION

5 4. Accusation Case Nos. C091029-01, C100510-08 and C101203-01 was filed before
6 the Director of the Office of Real Estate Appraisers (Director), and is currently pending against
7 Respondent. The Accusation and all other statutorily required documents were properly served
8 on Respondent on June 10, 2011. Respondent filed his Notice of Defense contesting the
9 Accusation.

10 5. When deemed by the Director to be in the public interest, Complainant has the
11 authority under Business and Professions Code section 11315.5 to enter into a settlement related
12 to administrative allegations of violations of the regulations governing the conduct of licensed
13 appraisers and appraisal management companies. The administrative allegations associated with
14 Case Nos. C091029-01, C100510-08 and C101203-01 against Respondent are incorporated
15 herein by reference. A copy of Accusation Case Nos. C091029-01, C100510-08 and C101203-01
16 is attached as exhibit A and incorporated herein by reference.

17 ADVISEMENT AND WAIVERS

18 6. Respondent has carefully read, and understands the charges and allegations in Case
19 Nos. C091029-01, C100510-08 and C101203-01. Respondent has also carefully read, and
20 understands the effects of this Stipulated Settlement and Disciplinary Order.

21 7. Respondent is fully aware of his legal rights in this matter, including the right to a
22 hearing on the charges and allegations in the Accusation; the right to be represented by counsel at
23 his own expense; the right to confront and cross-examine the witnesses against him; the right to
24 present evidence and to testify on his own behalf; the right to the issuance of subpoenas to compel
25 the attendance of witnesses and the production of documents; the right to reconsideration and
26 court review of an adverse decision; and all other rights accorded by the California
27 Administrative Procedure Act and other applicable laws.

28 ///

1 8. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
2 every right set forth above.

3 CULPABILITY

4 9. Respondent admits the truth of each and every charge and allegation in Case Nos.
5 C091029-01, C100510-08 and C101203-01.

6 10. Respondent agrees that his Certified Residential Appraiser License is subject to
7 discipline and he agrees to be bound by the Director's probationary terms as set forth in the
8 Disciplinary Order below.

9 CONTINGENCY

10 11. This stipulation shall be subject to approval by the Director of the Office of Real
11 Estate Appraisers. Respondent understands and agrees that counsel for Complainant and the staff
12 of the Office of Real Estate Appraisers may communicate directly with the Director regarding
13 this stipulation and settlement, without notice to or participation by Respondent. By signing the
14 stipulation, Respondent understands and agrees that he may not withdraw his agreement or seek
15 to rescind the stipulation prior to the time the Director considers and acts upon it. If the Director
16 fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary
17 Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal
18 action between the parties, and the Director shall not be disqualified from further action by
19 having considered this matter.

20 12. The parties understand and agree that facsimile copies of this Stipulated Settlement
21 and Disciplinary Order, including facsimile signatures thereto, shall have the same force and
22 effect as the originals.

23 13. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an
24 integrated writing representing the complete, final, and exclusive embodiment of their agreement.
25 It supersedes any and all prior or contemporaneous agreements, understandings, discussions,
26 negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary
27 Order may not be altered, amended, modified, supplemented, or otherwise changed except by a
28 writing executed by an authorized representative of each of the parties.

14. In consideration of the foregoing admissions and stipulations, the parties agree that the Director may, without further notice or formal proceeding, issue and enter the following Disciplinary Order:

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that Certified Residential Appraiser License No. AR012587 issued to Respondent Paul P. Roy (Respondent) is revoked. However, the revocation is stayed and Respondent is placed on probation for three (3) years on the following terms and conditions.

ORDER OF PUBLIC REPROVAL

1. **Public Reproval.** Respondent is issued a Public Reproval.

STANDARD TERMS AND CONDITIONS OF PROBATION

2. **Obey All Laws.** Respondent shall comply with all federal, state and local laws, and conform to the minimum guidelines set forth under the Uniform Standards of Professional Appraisal Practice (USPAP), and all other laws and regulations pertaining to real estate appraisers.

3. **Appraisal Log/Work Samples.** Commencing on the effective date of the Decision and Order and continuing for a period of 30 months, Respondent shall maintain a log of all appraisals Respondent performs on the Log of Appraisal Experience (REA 3004) form. Respondent shall submit a complete and accurate copy of the log of all appraisals completed each six months. Each six month log shall be submitted to the Office of Real Estate Appraisers within 30 days following the end of each six month period. Respondent understands that the Office of Real Estate Appraisers has the option to select work samples for review from each submitted six month appraisal log.

4. **Monitoring Costs.** Respondent shall comply with the Office of Real Estate Appraisers probation compliance monitoring program, including payment of costs incurred by OREA in reviewing appraisals, in an amount not to exceed \$250 per six month period. The monitoring cost will be waived for any six month monitoring period in which OREA elects not to select work samples for review.

5. **Personal Appearances.** Respondent shall, during the period of probation, appear in

1 person at interviews/meetings as directed by the Office of Real Estate Appraisers or its designated
2 representatives, provided such notification is accomplished in a timely manner.

3 **6. Comply With Probation.** Respondent shall fully comply with the terms and
4 conditions of the probation imposed by the Director of the Office of Real Estate Appraisers and
5 shall cooperate fully with representatives of the Office in its monitoring and investigation of
6 Respondent's compliance with the terms and conditions of probation.

7 **7. Monitoring.** Respondent shall be subject to, and shall permit, monitoring and
8 investigation of Respondent's professional practice. Such monitoring and investigation shall be
9 conducted by representatives of the Office of Real Estate Appraisers.

10 **8. Active License Status.** Respondent shall at all times maintain an active license
11 status with the Office of Real Estate Appraisers, including during any period of suspension. If the
12 license is expired at the time the Decision and Order of the Director of the Office of Real Estate
13 Appraisers becomes effective, the license must be renewed within 30 days of the effective date of
14 the Decision and Order.

15 **9. Tolling of Probation For Out-of-State Residence/Practice.** In the event
16 Respondent should leave California to reside or practice outside this state, Respondent must
17 notify the Office of Real Estate Appraisers, in writing, of the dates of departure and return.
18 Periods of non-California residency or practice outside the state shall not apply to reduction of the
19 probationary period, or of any suspension. No obligation imposed herein, including requirements
20 to file written reports, reimburse the Office costs, or make restitution to consumers, shall be
21 suspended or otherwise affected by such periods of out-of-state residency or practice except at the
22 written direction of the Office of Real Estate Appraisers.

23 **10. Violation of Probation.** If Respondent violates probation in any respect, the
24 Director of the Office of Real Estate Appraisers, after giving Respondent notice and an
25 opportunity to be heard, may revoke probation and carry out the disciplinary order that was
26 stayed. If an accusation or a petition to revoke probation is filed against Respondent during
27 probation, the Director shall have continuing jurisdiction until the matter is final, and the period
28 of probation shall be extended until the matter is final.

1 **11. Completion of Probation.**

2 Notwithstanding the continued effect of the Public Repeal, upon successful completion of
3 probation, Respondent's license will be fully restored.

4 **12. Cost Reimbursement.** Respondent shall reimburse the Office of Real Estate

5 Appraisers the sum of \$3,0000 for its investigation and prosecution costs. Said payment may be
6 made under a payment plan as follows: a sum of not less than \$375 shall be made within 30 days
7 of the effective date of the Decision and Order. Thereafter, payments of not less than \$375 shall
8 continue to be made on a quarterly basis. Full and final payment must be received by OREA
9 within 24 months of the effective date of the Decision and Order. Payment shall be made to the
10 Real Estate Appraisers Regulation Fund, c/o Office of Real Estate Appraisers, 1102 Q Street,
11 Suite 4100, Sacramento, California 95811 by check or money order and shall indicate on its face
12 the notation: OREA Case Nos. C091029-01, C100510-08 and C101203-01. Failure to reimburse
13 the Office of Real Estate Appraiser's costs of its investigation and prosecution shall constitute a
14 violation of the probationary order.

15 **13. Uniform Standards of Professional Appraisal Practice Course /Examination.**

16 Respondent shall take and pass an Office of Real Estate Appraisers approved 15-hour basic
17 education course on the Uniform Standards of Professional Appraisal Practice within 12 months
18 of the date the Decision and Order of the Director of the Office of Real Estate Appraisers is final.
19 The course must be The Appraisal Foundation's National USPAP Course (or its equivalent as
20 determined solely by the Appraiser Qualifications Board (AQB) Course Approval Program), and
21 must be taught by an AQB Certified USPAP Instructor who is also a Certified Residential or
22 Certified General appraiser in good standing with OREA. The course must be in a classroom
23 setting and administer a closed book final examination. Respondent must submit proof of
24 successful completion of the course and final examination within 12 months following the date
25 the Decision and Order of the Director of the Office of Real Estate Appraisers is final.
26 Respondent understands that it is his responsibility to ensure that the course meets all of the
27 requirements listed above and to apply for, schedule, and make all arrangements to take the
28 course.

14. **Minimum Education Requirements.** Educational courses imposed as a term or condition of probation by the Director of Real Estate Appraisers may not be credited towards Respondent's continuing education requirements required for renewal of Respondent's real estate appraiser license.

15. **Payment of Outstanding Fine.** Respondent further acknowledges and agrees to pay a fine pursuant to Business and Professions Code section 11316(a) and California Code of Regulations, title 10, section 3721(a), for the sum of \$2,500.00. Said payment may be made under a payment plan as follows: a sum of not less than \$312.50 shall be made within 30 days of the effective date of the Decision and Order. Thereafter, payments of not less than \$312.50 shall continue to be made on a quarterly basis. Full and final payment must be received by OREA within 24 months of the effective date of the Decision and Order. Payment shall be made to the Real Estate Appraisers Regulation Fund, c/o Office of Real Estate Appraisers, 1102 Q Street, Suite 4100, Sacramento, California 95811 by check or money order and shall indicate on its face the notation: OREA Case Nos. C091029-01, C100510-08 and C101203-01. Respondent shall also submit the *Remittance Notification* (REA 2032) form with payment, which will be provided by the Office upon acceptance of this Stipulation and Waiver. If full payment is not received by the Office by the date due as noted in the invoice, a 10 percent late penalty shall be added to the unpaid balance and interest will accrue on the unpaid balance at the pooled money investment rate in effect at that time, until the full amount is paid. If the unpaid balance plus 10 percent late penalty and interest on the unpaid balance are not received by the Office within 30 days thereafter, my appraiser license may be automatically suspended without further notice from the Office and will not be eligible for reinstatement prior to receipt of the full payment of the unpaid balance, penalty, and interest. Respondent shall not be eligible to renew his license until such time as full payment of the outstanding fine has been made.

ACCEPTANCE

I have carefully read the Stipulated Settlement and Disciplinary Order. I understand the stipulation and the effect it will have on my Certified Residential Appraiser License. I enter into

///

1 this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and
2 agree to be bound by the Decision and Order of the Director of the Office of Real Estate
3 Appraisers.

4
5 DATED:

12/02/2011

Original Signed

PAUL P. ROY
Respondent

ENDORSEMENT

9 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
10 submitted for consideration by the Director of the Office of Real Estate Appraisers.

11 Dated:

12/6/11

Respectfully submitted,

KAMALA D. HARRIS
Attorney General of California
MARC D. GREENBAUM
Supervising Deputy Attorney General

Original Signed

GILLIAN E. FRIEDMAN
Deputy Attorney General
Attorneys for Complainant

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